

MEMO to MAILERS

UNITED STATES POSTAL SERVICE
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FORUM FOCUSES on the FUTURE



Postmaster General William J. Henderson (l), led the Internet business panel discussion with (from right) Tom Adams, Jeff Bezos, Ed Horowitz, Rieva Lesonsky, and Randy Lintecum.

“My job is to make you successful. And I’m going to deliver on my promise.”

William J. Henderson
Postmaster General

When he first started shipping book orders for his new Web-based business, Jeff Bezos would load them into his Chevy Blazer and take them to his local post office. Now that his company, Amazon.com, is a retailing giant on the Internet, Bezos is still using the Postal Service to ship his books.

At the National Postal Forum in Chicago, Internet business leaders told the audience the Postal Service has a major role to play in the developing e-commerce market, based on the value and trust the Postal Service brings as the universal deliverer of goods and messages to the American household.

The panel discussion on the Future of Technology and Internet Marketing was moderated by Postmaster General William J. Henderson and featured Jeff Bezos, Founder and Chief

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do you have ESP?

It has long been a goal of Periodicals mailers to have a service measurement system for their class of mail. That goal is one step closer to reality with the arrival of ESP.

ESP is the Entry Schedule for Periodicals. The concept came out of the Mailers Technical Advisory Committee (MTAC). Frank Kayser and Leo Tudela, Jr., customer service analysts in Operations Planning, worked on the MTAC Information Systems work group that developed ESP.

“Periodicals is a very price-sensitive class of mail. Cost is a big issue for mailers,” Tudela says. “The mailers wanted a measurement system that is accurate and credible, yet cost-effective. We took that challenge and produced ESP.”

Kayser explains, “The industry uses a standard data interchange format, Mail.dat, to share information with vendors. We saw that, using the information in Mail.dat, we could develop a service measurement system with a few minor additions. We wanted to tie in the arrival times of shipments and seed monitoring systems, put it in a common format and get from it a forecasting

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“Knowing when we receive mail and where it is helps isolate problems”

Frank Kayser
Customer Service Analyst
Operations Planning

FORUM

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Executive Officer of Amazon.com; Tom Adams, Senior Director, Internet Marketing and Business Development for eBay; Ed Horowitz, Corporate Executive Vice President for Citigroup and head of eCiti; Rieva Lesonsky, Vice President and Editorial Director for Entrepreneur Media, Inc.; and Randy Lintecum, President and Chief Executive Officer of Output Technology Solutions.

VALUE AND TRUST

In discussing the role the Postal Service plays in their Internet-based businesses, Adams of eBay said, "The Postal Service is significant to our long-term success. You are the only company that goes to every address every day."

Bezos said he felt a lot of loyalty to the Postal Service. Amazon.com uses a computer algorithm that calculates for the customer the best shipping method based on cost and desired speed of service. "Sixty-five percent of the time," Bezos said, "it chooses Priority Mail."

Horowitz of eCiti noted the security and trust people place in the mail. "People have a high degree of expectation that their mail will be unopened; and you have the force of the federal government behind it." In order to get the majority of the population that are not using the Internet to use it, Horowitz observed that people want privacy. "They want their messages delivered safely, privately and securely. You can add the imprimatur of the Postal Service brand around Internet messaging."

Lesonsky added that people worry about the safety of Internet transactions. "I think most Americans have an amazing amount of trust in the Postal Service," she said. "Consumers

want the security of a third party guaranteeing the online transaction went from Point A to Point B, with no one touching it in the middle."

Lintecum saw an even larger role in the need for a central Internet location for consumers to pay bills online. Currently, each financial service and utility has its own system, making it inconvenient for customers to make payments. "Consumers need one location for all of their bills," he said. "We need a national registry that will be a single location to allow the seamless distribution of bills and statements. I think the Postal Service has a significant role to play on the trust and security side."

Lintecum added that the Postal Service has a significant challenge ahead and must act quickly. Adams agreed, saying, "You need to get out there or you'll miss the boat. We want you there now to give [people] secure Web-based e-mail." Horowitz foresees 38,000 post offices as a place where people can conveniently prepay for services on the Internet-enabled wireless communication devices of the future. "It's yours to lose," he said.

Lesonsky also noted that SOHO (small office/home office) businesses rely on the Postal Service. "The home-based entrepreneur is not supported by your competition," she said. "The Postal Service treats them fairly and doesn't charge them more."

THE MAIL MOMENT

At the opening session of the Forum, Postmaster General Henderson told the audience of 8,000 mailers that mail will retain its value into the next century. Henderson noted that the Postal Service has a unique relationship with the American people based on their trust in and use of the mail.

"Everybody looks at their mail," Henderson said. "People read their mail every day and act on it. They correspond, purchase and receive merchandise through the mail. Mail has magic. People are addicted to it."

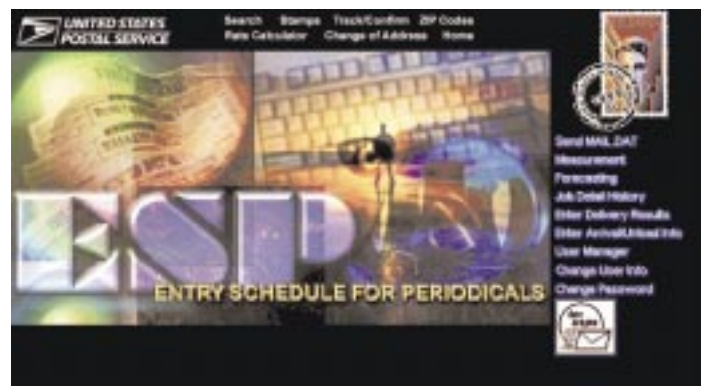
That unique relationship—that "mail moment"—is the value of this organization, Henderson told the audience. "No channel into the household has the impact of mail. It's a

channel of trust," he said. "Mail connects people to their business and personal needs in a way no other medium can match."

The Postal Service is focused on delivering its promise to provide high-quality, low-cost service, he noted. "As Chief Executive Officer of this organization, my job is to make you—our customers—successful" Henderson said. "And I'm going to deliver on my promise." ■

ESP

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The ESP Web site allows Periodicals mailers to electronically transmit information about their mailings in advance.

system for the Postal Service and a monitoring system for publishers that measures service."

ESP allows publishers to electronically transmit through the Internet information about their mailings in advance. This allows postal managers to develop a workload forecast that details mail makeup and content and gives measurement indicators on the arrival, unloading and delivery of the mailings.

Using ESP, mailers can learn the arrival times of their mailings and see a national aggregate of performance for all mailers. "Since the industry was already using the Mail.dat format," Kayser says, "we built an infrastructure to accept the information and aggregate it for them. We tied this information into our transportation management systems to get the arrival times

at postal facilities. Once we have the arrival and delivery times, they can access the data."

The system will eventually interface with the PostalOne! integrated information system. "Security was a concern," Tudela says. "The mailers are trusting us with their mailing information. ESP was designed to take this into consideration. The system is secure so mailers can only see their data or a national aggregate."

"This is driving changes within the Postal Service and the Periodicals industry," Kayser says. "Knowing when we receive mail and where it is helps isolate problems. This should lead to service improvements and lower costs for Periodicals."

Mailers can access the ESP system on the Web at www.esp.usps.gov. ■

CUSTOMERS TO USPS: adapt to world of eCommerce

A panel of four major mailers, while acknowledging the quality and value they receive from the Postal Service, predicts that the communications world will be changing drastically as consumers increasingly move to the Internet.

The panel spoke at the Postal Service National Executive Conference, and included Mike Hopkins of Home Shopping Network, John Corvin of Output Technology Systems, Tom Lemke of Kmart Corporation, and Jessica Wieland of Neiman Marcus. The panel agreed that the Postal Service must adapt to meet customer expectations in order to remain relevant as the market becomes more consumer-centric.

Lemke noted that online retailing brings the same challenges and opportunities to Kmart as it does the Postal Service and that there is a need to work as partners. Hopkins observed that the 10 million customers buying from the Home Shopping Network are also postal customers and that both companies must position themselves to take advantage of the burgeoning e-commerce market.

The challenge will be for the Postal Service to transform its package delivery infrastructure to provide the convenience and reliability customers expect. By enhancing its network to be the low-cost, high-quality provider, the Postal Service can, in turn, help their businesses grow.

The panelists added that the Postal Service can provide the trust, security and recognition that consumers are looking for, especially for bill presentment and payment. They also suggested the Postal Service establish a universal standardized email address system. ■



Postal Service gives eCommerce an -PRIORITY

It only takes a click of a mouse to order merchandise online, but that doesn't get the goods to the buyer. Online e-tailers know that they have to have a reliable shipping partner to deliver merchandise to customers, plus they want to avoid giving their customers "clicker shock" when adding the cost of shipping to the total purchase.

The Postal Service now offers a way for online merchants to enhance their Web sites and provide the low-cost convenience of Priority Mail for merchandise delivery. "We want to be the preferred shipper for the Internet-to-residential consumer," says Kim Parks, manager, Marketing and Strategy for Expedited/Package Services.

A free toolkit is available from the Postal Service that enables retail Web site developers to place information about package delivery services on their sites. The Application Program-



Online retailers can get free Internet tools at USPSPriorityMail.com that will let shoppers get Priority Mail shipping information directly from their Web site.

ming Interfaces (APIs) can be downloaded from the Postal Service Priority Mail Web site at www.USPSPriorityMail.com.

Using the APIs, online retailers can give their customers access to a shipping rate calculator and Delivery Confirmation information, and enable customers to print merchandise return labels directly from their Web site.

A study by Zona Research shows that while only 2 percent of online buyers are willing to pay for overnight delivery, more than half are willing to wait four to seven days for delivery.

Priority Mail is well aligned with e-shoppers' needs. Prices start at \$3.20 and there's no zone pricing for packages under five pounds. Only the Postal Service delivers to 130 million addresses every day, without residential surcharges or extra fees for Saturday delivery.

During the next few months, the Postal Service is featuring

Amazon.com, L.L. Bean, Nordstrom and Eddie Bauer in its television and print ads. Amazon.com is featuring the Postal Service logo on its Web site shipping page and Priority Mail preferred shipping language in its catalog and print ads.

"There are great opportunities for the Postal Service to be associated with young, aggressive companies that will define the way business is conducted in the future," says Senior Vice President and Chief Marketing Officer Allen Kane. "In the past, these companies would not ask us to the dance, much less dance with us when we got there, because we had been around forever. Now they are lining up to do business with us."

John Kelly, president of Package Business, called Priority Mail's features "the hidden gem of the Internet world." Shopper and shipper alike can find out about the value of Priority Mail at www.USPSPriorityMail.com. ■

eCOMMERCE FACTS

ZONA RESEARCH ESTIMATES that there are 20 million shoppers on the Internet today. Last year, online shoppers spent \$3 billion. This year, that number could exceed \$20 billion. An estimated 25 percent of merchandise bought over the Internet last holiday season was returned.

LEGISLATIVE UPDATE

PMG CITES SUCCESSSES AND STRATEGIES FOR THE FUTURE

In testimony before the Senate Government Affairs Subcommittee, Postmaster General William J. Henderson told the panel the Postal Service is heading into the next century with the best performance, planning, technology and management systems in its history. "At the same time," Henderson said in prepared remarks, "we enter the new millennium knowing full well that the most significant challenges in our history await us."

Because of the success of a \$700 million cost reduction program, Henderson told the Senators a \$200 million surplus is projected for this fiscal year, the fifth year in a row that a surplus has been reported. Henderson said that this means that the rate increase scheduled for next year will likely be delayed until 2001.

Henderson advised the committee that the movement toward e-payment of bills could result in a drop in First-Class Mail volumes over the next five years and a potential loss in revenue of \$17 billion. With the rising costs of maintaining a national infrastructure of 38,000 facilities and a delivery network that grows by millions of stops annually, Henderson said, "We have to tap into new revenue streams as old ones begin to taper off if we expect to maintain affordable prices and continue our investments in better service."

Henderson noted, "We have a responsibility to the American people to ensure a healthy and meaningful postal system in the next century." He called the mail "the gateway to the household" and "a

channel for commerce and communications" that connects people, business and government.

"Maintaining that connection in the next century," Henderson said, "may well hinge on our ability to blend the trust, security and ubiquity of hardcopy mail with the speed and capabilities of the electronic world."

Henderson told the Senators that the Postal Service will build on its already strong Internet presence as the most heavily trafficked government site to offer customers information about their mail and access to postal products and services.

"We want to be the carrier of choice for merchandise purchased on the Internet and the inevitable returns that result," Henderson added. "We already have a universal business and residential presence. We are low-priced and we don't impose surcharges. Our carriers visit every address, everywhere, six days a week."

The Postmaster General also cited "a decade of progress" during which the Postal Service improved its financial performance, resulting in five straight years of net income, and improved on-time delivery of local First-Class Mail to a national average of 94 percent.

Henderson concluded his testimony by saying he sees the next century as a great opportunity for the Postal Service to build on its legacy of service to the nation and that the American people can continue to rely on the Postal Service for high-quality, low-cost mail services. ■

ideaforum

PRIORITY MAIL DELIVERS the GOODS

THE CHALLENGE

Looking at its shipping mix and the volumes of its catalog sales, The Spiegel Group wanted to explore ways to reduce shipping costs, yet improve customer satisfaction and delivery times. The key to meeting this challenge would be the role played by Distribution Fulfillment Services (DFS) Inc., a subsidiary of The Spiegel Group, which provides fulfillment of more than 20 million merchandise shipments per year.

THE SOLUTION

To achieve its goals of increasing customer satisfaction and trimming shipping costs, The Spiegel Group formed a corporate committee of officers to set goals and establish a strategy for success. At the same time, Postal Service representatives from Customer Relations and Tactical Marketing formed a team to analyze the company's shipping practices. The Spiegel Group and Postal Service teams worked out a strategy to conduct an eight-week test of Priority Mail Delivery Confirmation. During the test period, DFS mailed 256,000 packages.

THE RESULT

As one of the leaders in the mail order industry, The Spiegel Group's business initiatives are closely followed by many of the 10,000 catalog companies that operate within the United States. Priority Mail Delivery Confirmation results were outstanding. Ninety-eight percent of the packages were delivered within two days, and many packages destined for areas in the Midwest were delivered overnight. For destinations in the Western states, delivery service consistently improved and easily met the five-day delivery requirement established by The Spiegel Group. In April 1999, The Spiegel Group began mailing all of its one- to three-pound packages via Priority Mail. ■

Moving into the Future— Together! Y2K

HOW ARE WE DOING?

We moved through two key “early-warning” dates without any service problems. The first was 9/9/99—September 9—a date many older programs read as a “program end” instruction. The second was September 11—the first day of postal fiscal year 2000, and vulnerable to the same two-digit date problems as calendar year 2000. Both dates were included in our system remediation efforts.

MAIL PROCESSING EQUIPMENT: LIVING IN THE FUTURE

Sustained Year 2000 testing of critical mail processing equipment at our huge Northern Virginia processing facility began on August 30, when system clocks were turned ahead to December 30. Since September 1—which the equipment read as January 1, 2000—millions of letters, catalogs, magazines and packages have moved through plant equipment without a hitch. This six-week test will take us through key Year 2000 dates, providing an extra check of our remediation work. More limited equipment testing—in a live operating environment and a Year 2000 date mode—is under way at 18 other processing facilities throughout the nation.

WE'LL BE READY—BUT THERE'S NO TIME TO COAST

We're proud of the success we've achieved so far. But we're not going to rest yet. With two months to go, we're going to continue testing systems, rehearsing contingency plans and sharing information throughout the organization. We want everyone to

The more we know about your plans, the better we'll be able to serve you.

know and understand their roles in this critical initiative. Your success depends on the thoroughness and quality of our efforts. And we'll keep working for you to, and through, the new year.

HELP US TO HELP YOU

Will you be changing your fall mailing plans? Are you considering different mailing dates? Different entry locations? Volume shifts? Different sizes or shapes? Different levels of preparation? Diverting electronic communications to paper? The more we know about your plans, the better we'll be able to serve you. You can use the feedback button “Mailers—Help us to Help You” on our Web page, or you can discuss your plans with your regular Postal Service contact. Either way, we'll be happy to hear from you.

NEED MORE INFORMATION?

Take a look at our Web page, www.usps.com/year2000, for the latest Year 2000 status information. We'll also be updating this site regularly from December 31 through early January with national condition updates. Your usual means of getting information will continue to be available through the new year. Our goal is “business as usual” both in operations and communications—now and into the year 2000. ■

Status Snapshot:

REMEDIATION

All 137 Mission-Critical Systems remediated and verified as able to function through the Year 2000 date change.

BUSINESS CONTINUITY PLANS

More than 500 local plans address interruptions to critical business processes from canceled airline flights to postage payment.

COMPONENT CONTINGENCY PLANS

220 plans provide “work-arounds” for interruptions to mission-critical systems and some noncritical supporting systems to keep the mail moving for you. Based on normal procedures used if a system experiences problems.

RECOVERY MANAGEMENT

Builds on our long history and experience of serving mailers through adverse conditions. Identifies the framework for identifying, reporting, tracking, and resolving Year 2000 related problems. Includes communicating with customers through Web site (www.usps.com/year2000), RIBBS, Business Service Network.

SUPPLIERS

Our Supplier Management Office continues to assess ability of key suppliers to provide the products and services we rely on to keep your mail moving. Current assessment indicates that almost all key national supplier are now—or expect to be—Year 2000 ready. ■

This is a Year 2000 Readiness Disclosure as defined in PL 105-271, Year 2000 Information and Readiness Disclosure Act.
The information contained in this USPS document is based on information available as of the date of publication and is subject to change.

POSTAL
HISTORY



A new exhibit at the National Postal Museum, “Posted Aboard the R.M.S. Titanic,” honors the sea post clerks who perished on the doomed ocean liner. The five clerks gave their lives trying to save 200 sacks of

registered mail by dragging them from the mailroom to the upper deck. The mail clerks included three Americans: John Starr March (whose watch is shown at left), Oscar Scott Woody, and William Logan Gwinn. The exhibit will be on

display until June 1, 2000. In other museum news, industry notable James Pehta has been named as representative for the National Postal Museum to the liaison committee of the Smithsonian National Board. ■

National Postal Forum Award Winners

1999

**Congratulations
to all of the
National Postal
Forum Award
Winners**



Partnership for Progress Award

FALA DIRECT MARKETING

Jeffrey S. Jurick, President/CEO

THE TRIBUNE COMPANY

John Madigan, CEO

SPIEGEL, INC.

Michael Moran, Chairman

PVA/EPVA, INC.

Hal Russell, President/CEO

SBC COMMUNICATIONS, INC.

Edward Whitacre, Chairman/CEO

Mailing Excellence Award

Business

AMERICAN ISUZU MOTORS, INC.

Government

PIERCE COUNTY (WA) AUDITOR'S ELECTION DEPARTMENT

Nonprofit

HALE HOUSE (NY)

Mail Center Manager Award

CATHERINE CIARDI

Director, Office Services
Blue Cross Blue Shield
Rochester, NY

MICHAEL D. COVINGTON

Postal Operations Manager
Barton-Cotton, Incorporated
Baltimore, MD

SUE JONES

Assistant Fulfillment Manager
Frank Cawood & Associates
Peachtree City, GA

PAT KAMBHU

Manager, Delivery Services
Rice University
Houston, TX

PAUL MCDONALD

Manager, University Postal
Services
Temple University
Philadelphia, PA

PAMELA J. MEADOWS

Administrator
Domino's Pizza International, Inc.
Ann Arbor, MI

JAMES MUH

Director, Mail & Document
Services
UCLA
Los Angeles, CA

JOHN H. PARKER

Director, Mail Services
University of VA
Charlottesville, VA

LIBBY POOL

Director, Delivery Services
Scholastic Corporation
Jefferson City, MO

JAMES SULLIVAN

Area Operations Manager
Bell Atlantic
Massapequa, NY

RICHARD D. VOGHT

Inventory and Distribution Manager
USANA
Salt Lake City, UT

Mailing Industry Leadership Award

PUBLISHERS PRINTING COMPANY, INC./PUBLISHERS PRESS

Shepherdsville, KY

REGIS UNIVERSITY

Denver, CO

CHICAGO CLEARING HOUSE

Chicago, IL

EXPERIAN NEW

Lincoln, NE

PUTNAM INVESTMENTS

Franklin, MA

GLOBE LIFE AND ACCIDENT

INSURANCE CO
Oklahoma City, OK

EXPERIAN DIRECT TECH

Schaumburg, IL

COMMERCIAL DATA CENTER, INC.

Miamisburg, OH

EQUIFAX CARD SOLUTIONS

St. Petersburg, FL

AMERICA ONLINE

Sterling, VA

POSTAL FREIGHT, INC.

Vernon, CA

NEW YORK LIFE INSURANCE CO.

Lebanon, NJ

International Mailing Industry Leadership Award

ERIC NIMAN

Director of Supply Chain
Management
Enrich International
Orem, UT

Postal Technology Award

KURT KRAVCHUK

Manager, Outbound Operations
Cabela's Inc.
Sidney, NE

JOSEPH SCHICK

Director, Postal Affairs
Quad/Graphics, Inc.
West Allis, WI

BULK PARCEL RETURN SERVICE EXTENDED

In a move to make it easier to conduct business with the mail order industry, the U.S. Postal Service's Board of Governors approved a service enhancement that will provide some merchants with the option of absorbing return merchandise postage costs for opened and returned parcels.

"This is a win-win situation for the mail order industry, consumers and the Postal Service," said Vice President, Marketing Systems, Anita Bizzotto. "It's similar to our Merchandise Return Service, where customers are not charged for returning merchandise to the merchant. The same can now be said for a new group of mailers and their customers."

The change, effective Oct. 3, 1999, applies only to:

- merchants participating in the Postal Service's Bulk Parcel Return Service (BPRS), and,
- customers of those merchants who repack and reseal return merchandise weighing no more than 16 ounces into the same parcel the goods were originally received, and use a return label provided by the merchant. The BPRS currently allows merchants to receive unopened, properly endorsed, machinable Standard Mail (A) parcels that are undeliverable-as-addressed at a flat rate of \$1.75 each.

The change allows merchants, at their expense, the option of enclosing a BPRS address return label complete with mailing instructions to have opened and resealed parcels returned at the same \$1.75 flat rate. To qualify for BPRS, merchants pay an annual permit fee of \$100 and a per piece fee of

\$1.75 for each parcel returned. Qualifying merchants are required to have a minimum of 10,000 returns annually through BPRS.

RIDE-ALONG RATE TEST

The Postal Service Board of Governors approved the filing of an experimental case with the Postal Rate Commission (PRC) to provide for a "ride-along" classification and rate for items enclosed with periodicals.

The potential two-year test would allow the Postal Service to determine the cost and demand for the service, which would allow one ride-along piece to be included in the periodical for an additional flat fee of 10 cents. The ride-along piece would have a maximum weight of 3.3 ounces, not to exceed the weight of the host periodical, and must not change the shape or processing category of the periodical.

Currently, ride-along pieces that do not qualify for the periodical rate must be paid at the applicable Standard Mail (A) rate as if they were separate mailings. Many publishers have said the additional cost is prohibitive. Consequently, mailed copies often do not carry the inserts included in newsstand editions.

GLOBAL PACKAGE LINK RATE CHANGE

The Postal Service announced new rates and a new discount structure for Global Package Link (GPL). GPL is an international mail service designed for companies sending at least 10,000 packages per year to other countries. Overall base rates were increased 9 percent. GPL provides a volume discount beginning at 25,000 packages per year.

GPL service has also been introduced to Argentina, with two levels of service, Premium and Standard. Premium service provides insurance at no extra charge.

NEW PUBLICATIONS SERVICE TO CANADA

Global Direct-Canada Publications Mail is a new service, offered in cooperation with Canada Post Corporation, designed for publishers seeking easier access into the Canadian postal system. The mailings must meet all makeup and eligibility requirements for Canada Post's domestic Publications mail. The Postal Service transports the mailing to Canada for entry into its domestic mail system. Qualifying mailers must mail a minimum of 10,000 items or 250 pounds per mailing for delivery to Canadian addresses. Mailings may be deposited only at the following facilities: Kennedy Airport Mail Center, NY; New Jersey International Bulk Mail Center, Jersey City, NJ; Buffalo Auxiliary Service Facility, NY; Detroit Bulk Mail Center, MI; AMC O'Hare International Annex, IL; and Seattle Bulk Mail Center, WA.

PHOENIX PCC MAIL CONFERENCE

The Phoenix Postal Customer Council will hold its "Mailennium" Conference at the Mesa Pavilion Hotel on December 16, 1999. The cost is \$60 to attend the mail management seminars, and includes continental breakfast and lunch. Vendors who wish to exhibit in the ballroom must register by November 22. The cost for exhibits starts at \$300, which includes table, drapery and guest passes. For information, call Jim Devenney at (480) 965-3157 or Tony Arriaga at (480) 644-3405.

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Address Service Requested

Advantage Marketing Systems (AMS), Inc., of Oklahoma City has seen a clear advantage in using Priority Mail to ship its products. AMS markets and distributes nutritional supplements, weight management products, skin and hair care products and cosmetics to more than 65,000 independent distributors in all 50 states. Advantage competes with other providers of such products, especially retail outlets, based upon immediate product availability and purchasing convenience. The company's ability to remain competitive depends in part on its ability to make prompt, reliable shipments to its distributors.

Dennis Loney, vice president, Administration of AMS says, "The business of marketing products in the weight management, dietary supplement and personal care categories is highly competitive. Priority Mail is the perfect fit. I tell friends and business associates alike that if you're shipping your packages under five pounds with anyone other than the U.S. Postal Service, you're missing the most tremendous value to be found anywhere."

Loney's relationship with the Postal Service began when

distributor gains advantage with **PRIORITY MAIL**

Cindy Downing, Tactical Marketing & Sales Development Specialist, and Doyle King, Oklahoma City Account Representative, assembled a service proposal and cost analysis after reading about AMS' phenomenal growth and market potential.

"Cindy and Doyle came to me with solutions, not promises," says Loney. "Their proposal identified incredible cost savings, including the more than \$1,000 per week we were paying for address change services, and the surcharges we were incurring with residential and rural delivery and Saturday service, to name a few. In all, they identified more than \$3,000 per week in savings. As our business flourishes in 1999, we could easily save \$500,000 by shifting to Priority Mail. As a public company, our stock value goes up dramatically with this kind of savings."



(l-r) Tactical Marketing & Sales Development Specialist Cindy Downing, Advantage Marketing Systems Vice President, Administration Dennis Loney and Account Representative Doyle King stand amid Priority Mail boxes bearing the AMS logo ready for pickup.

"They also proposed a daily pickup service, which is possibly one of the least known but one of the best value-added services from the U.S. Postal Service," adds Loney. "Couple that with manifesting and on-site weighing and verification, and our products go right to the airport, shaving an average of one day off delivery time. Two days for delivery is the norm, but in some highly concentrated areas of California and Kentucky we've gotten next-day service."

Loney says the customized Priority Mail packaging from

the Postal Service that bears the AMS logo is another plus—a distinctive feature that impresses. But the packaging does more—the corrugated inserts, die-cut especially for AMS products, help reduce customer complaints relating to product damages.

"With the Postal Service, we enjoy better service, better rates and the superiority of Priority Mail is helping our business grow," says Loney. "Everything we ship under five pounds is by Priority Mail. We're just a huge fan of the Postal Service." ■